



May 5, 2016

Via ECFS

Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Re: NOTICE OF EX PARTE

GN Docket No. 12-268: *Expanding the Economic and Innovation Opportunities of Spectrum Through Incentive Auctions*

Dear Ms. Dortch:

We, the undersigned, are non-nationwide wireless carriers who are eligible to participate in the 600 MHz incentive auction. We serve customers in cities, small towns, and rural and remote areas throughout the United States. As members of Competitive Carriers Association (CCA), we applaud the Federal Communications Commission (FCC or Commission) for commencing the incentive auction on schedule in the first quarter of 2016. The incentive auction represents the best near-term opportunity to gain access to essential low-band spectrum assets. This spectrum is critical for small carriers' abilities to compete in the wireless ecosystem. For these reasons, we encourage the Commission to conduct post-auction repacking procedures on schedule, as is currently planned.¹

¹ See *Expanding the Economic and Innovation Opportunities of Spectrum Through Incentive Auctions*, Report & Order, 29 FCC Rcd 6567, 6796-802 ¶¶ 559-73 (2014) ("Incentive Auction Order") (establishing a 39-month post-auction transition period for broadcasters that are assigned new channels in the repacking process, which includes a three-month period during which broadcasters will complete and file their construction permit applications followed by a 36-month period consisting of varied construction deadlines); see also Peter Cramton, Hector Lopez, David Malec and Pacharasut Sujarittanonta, *Design of the Reverse Auction in the Broadcast Incentive Auction*, attached to *Ex Parte* Letter from Preston Padden, Executive Director, Expanding Opportunities for Broadcasters Coalition to Marlene H. Dortch, Secretary, FCC, GN Docket No. 12-268, AU Docket No. 14-252 (filed June 15, 2015); and *Ex Parte* Letter from Rebecca Murphy Thompson, EVP & General Counsel, CCA to Marlene H. Dortch, Secretary, FCC, GN Docket No. 12-268 (filed Feb. 10, 2016).

Just as important, the FCC should employ a regional repacking approach like the one T-Mobile USA, Inc. has proposed.²

We applaud the Commission for its attention to ensuring a smooth, safe, and expeditious repacking process. Because of our place in the competitive wireless ecosystem, it is imperative that resources are used efficiently to effectuate a safe transition, while also ensuring that we gain access to deploy on the spectrum purchased during the auction as soon as possible. To effectuate this goal, we encourage the Commission to consider utilizing a regional “corners” repacking approach, which balances the clearing of urban and rural markets in a fair and objective way so all carriers benefit in the auction. This approach reduces the potential for delay from larger cities that often require more complex planning and longer timelines to alter television facilities.³ The post-auction transition is unlike others the Commission has overseen, and initiating a repacking process that is flexible allows for the clearing of complex, interconnected markets in the shortest timeframes and for the lowest cost.

Finally, we emphasize that any delay of the incentive auction could risk devaluing 600 MHz spectrum resources, and therefore disincentivize potential bidders from participating in the forward auction. Access to this capital is extremely important, particularly because of our position as competitive carriers in the wireless ecosystem, and the need to effectuate network buildout to adequately respond to consumers’ increasing demand for enhanced upgrades and services. Moreover, bidders will be expected to produce upfront payments for spectrum purchased during the auction prior to receiving reimbursements for capital. This process disproportionately affects smaller businesses that lack the same access to resources as larger competitors to adequately maintain capital in the interim between purchasing spectrum during the auction, and receiving these assets to deploy and monetize.

As CCA members who are a significant part of the competitive mobile ecosystem, we look forward to continued work with the Commission to effectuate an expeditious and safe timeline for the post-auction transition, while ensuring access to valuable spectrum resources occurs in a timely and efficient manner.

² See T-Mobile USA, Inc., *Broadcaster Repacking Proposal*, attached to *Ex Parte* Letter from Trey Hanbury, Counsel to T-Mobile USA, Inc., to Marlene H. Dortch, Secretary, FCC, GN Docket No. 12-268 (filed Mar. 4, 2016); see also *Ex Parte* Letter from Trey Hanbury, Counsel to T-Mobile USA, Inc., to Marlene H. Dortch, Secretary, FCC, GN Docket No. 12-268 (filed Mar. 3, 2016) (attaching *Broadcaster Repacking Proposal*) (T-Mobile Repacking Proposal).

³ *Id.*

This *ex parte* notification is being filed electronically with your office pursuant to Section 1.1206 of the Commission's Rules. Please do not hesitate to contact us with any questions or concerns.

Sincerely,



Michael T. Prior
Atlantic Tele-Network



Ron Smith
Bluegrass Cellular



Slayton Stewart
Carolina West Wireless



Patrick D. Riordan
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Brian Spurgeon
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James W. Hofman, II
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